

State of Hawaii

CONSOLIDATED PLAN

FOR PROGRAM YEAR JULY 1, 2000 THROUGH JUNE 30, 2004

Executive Summary

The State Consolidated Plan is a five-year strategy which provides a background, direction, and a plan for how the State intends to administer the Home Investment Partnerships (HOME), Emergency Shelter Grant (ESG), and Housing Opportunities for Persons with AIDS (HOPWA) programs to assist in meeting the housing needs of Hawaii's citizens. As the City and County of Honolulu is an entitlement jurisdiction which is required to prepare its own Consolidated Plan (Plan), this Plan focuses on the Counties of Hawaii, Kauai, and Maui.

1. GENERAL

The Housing and Community Development Corporation of Hawaii (HCDCH) is responsible for completion of the State's Consolidated Plan. The process for developing the Plan involved consultation with government housing agencies; working group meetings with public and private service providers; public hearings to solicit input on housing needs and the draft Plan; and the publication of notices in a newspaper of general circulation to solicit public comments on the draft Plan.

2. HOUSING AND HOMELESS NEEDS ASSESSMENT

The largest categories of housing need are for units affordable to households earning below 50% and from 50-80% of the median income. Of the 28,640 housing units that are estimated to be needed by the year 2004, approximately 11,390 (or nearly 40%) of the units are needed by households in these income groups. These income groups also exhibit the highest incidence of housing problems including cost burden, residing in substandard units, and overcrowding.

There are also non-homeless special needs populations that are in need of affordable housing. These populations are comprised of the elderly, frail elderly, persons with mental illness, persons with developmental or physical disabilities, persons with AIDS and related diseases, and the youth.

In August 1999, a point-in-time count revealed there were 3,171 homeless persons statewide, which is considered to be the "tip of the iceberg".

There were also 76,635 "hidden homeless" persons (those who rely on public assistance or on their relatives and friends) and 206,924 "at-risk homeless" persons (those who could become homeless in less than 3 months if they lost their primary source of income).

From July 1998 through June 1999, 10,294 unduplicated homeless persons received shelter and/or services through the contracted service providers of the State Homeless Programs Branch. This number does not reflect those homeless who did not receive shelter or service. The number served also fails to include the escalating number of repeat contacts provided by the State's outreach efforts of 34,099 in FY '98 and 44,559 in FY '99.

3. HOUSING MARKET ANALYSIS

The overall housing market is characterized by declining sales prices and advertised rental rates. Other indicators of improved housing conditions include an increase in the state's homeownership rate from 51.9% in 1992 to 57.9% in 1997; a 12% decrease in the number of families that are doubling up; and a 54% decrease in the number of households that reside in overcrowded conditions.

Despite these improvements, there remains a substantial statewide need for rental housing affordable to lower income groups. Based on the findings from a recent housing study, nearly 11,000 affordable rental units are estimated to be needed statewide over the next 5 years. Additionally, the statewide need for affordable homeownership opportunities remains strong. Over the next 5 years, approximately 7,800 units affordable to households earning 80% to 120% of the area median are estimated to be needed statewide.

4. STRATEGIC PLAN

The general statewide priorities for assisting very low, low and moderate income households are as follows:

- Increase the development of long-term affordable rental projects statewide.
- Provide increased financial and other types of assistance to needy households.
- Preserve and revitalize existing affordable housing.
- Provide increased opportunities for first-time home buyers.
- Provide a continuum of housing and support services for homeless persons and families to enable them to achieve greater independence and stability.

- Provide housing and support services for persons with special needs.

The affordable housing strategies are summarized as follows:

Target group	Objective	HOME fund allocation	Measures of effectiveness
Extremely low, low and moderate income	Increase supply of affordable rental units Provide rental assistance	37% of HOME	75 affordable rental units 300 eligible households receiving rental assistance
Non-homeless special needs	Increase supply of supportive housing	15% of HOME	20 units
First-time homebuyers	Increase supply of affordable for-sale units	33% of HOME	90 units
Existing affordable housing stock	Rehabilitation activities	5% of HOME	15 units

Homeless strategies along a continuum of care are as follows:

Target population	Strategy	ESG fund allocation	Measures of effectiveness
Unsheltered homeless	Outreach vans and personnel	20% of ESG	Assistance to unsheltered persons
Sheltered Homeless	Supportive services in emergency and transitional shelters	80% of ESG	Number transitioning to permanent housing

Strategies to assist persons with HIV/AIDS and persons who are not homeless but require supportive housing are included in the Plan. Also

included are strategies to (1) remove barriers to affordable housing, (2) evaluate and reduce lead-based paint hazards, and (3) fight poverty.

5. ACTION PLAN

The State anticipates allocating HOME appropriations of approximately \$3 million as follows: \$963,000 to each of the Counties of Hawaii, Kauai, and Maui, and \$111,000 to HCDCH. Approximately 52% of the 2000 HOME funds will be used to construct rental housing and/ or provide rental assistance; approximately 30% will be used for homeownership programs; approximately 5% will be used for rehabilitation activities; and approximately 10% will be used to cover administrative costs.

The State will allocate the anticipated \$178,000 of ESG funds through a request for proposal to service providers in the counties of Hawaii, Kauai, and Maui, while retaining a small percentage for administrative costs.

Of the \$132,000 in HOPWA funds which the State anticipates receiving, approximately 70% will be allocated for a rural county centralized rental assistance pool and approximately 30% will be used for other housing assistance needs.